INDEX

	Page
Opinions below	1
Jurisdiction	1
Questions presented	2
Interest of the United States	2
Statement	4
Argument	5
I. Introduction and summary	5
II. The doctrine of mutuality of estoppel has properly been rejected in those classes of cases where it promotes neither fairness to the parties nor judicial convenience	8
A. Judicial limitation of the doctrine of mutuality of estoppel	8
B. Factors contributing to the judicial limitation	13
1. "Offensive" v. "Defensive" use of estoppel	14
2. Control over the circumstances of litigation	16
3. The fullness of the prior trial; the absence of new evidence	17
4. Settlement and compromise	19
5. Inconsistent verdicts and the encouragement of piecemeal litigation	21
6. Full and fair opportunity to defend	21

413-473—71——1

Page

III. While many of the same factors which have promoted reform of the doctrine of mutuality of estoppel are present in patent litigation, public policy considerations suggest the need for particular care in extending the reform to such litigation 24
A. Considerations supporting estoppel of a patent holder once his patent has been held invalid 26
B. Considerations arguing against estoppel of a patent holder once his patent has been held invalid 30
C. Conclusion 30
IV. The rule of *Triplett* v. *Lowell* has not been adopted by Congress, and this Court should decide its continued validity 35
Conclusion 44

CITATIONS

Cases:

Adamson v. *Hill*, *202 Kan. 482, 449 P. 2d 536* 13
Aghnides v. *Goodrie, et al.*, 210 F. 2d 859 32
Aghnides v. *Holden*, 226 F. 2d 949 ..... 19, 25, 32
Aghnides v. *The Meyer Co.*, 117 F. Supp. 839 32
Bahler v. *Fletcher*, 474 P. 2d 329 12
Berner v. *British Commonwealth Pac. Airlines, Ltd.*, 346 F. 2d 532, certiorari denied, 382 U.S. 983 18
Bernhard v. *Bank of America Natl. Trust & Savings Assn.*, 19 Cal. 2d 807, 122 P. 2d 892 ..... 6, 9, 10, 11, 12, 13, 36
Bigelow v. *Old Dominion Copper Co.*, 225 U.S. 111 8
Boys Market v. *Clerks Union*, 398 U.S. 235 ..... 37, 38
Bruszewski v. *United States*, 181 F. 2d 419, certiorari denied, 340 U.S. 865 ..... 6, 10
Cauefield v. *Fidelity & Cas. Co. of New York*, 378 F. 2d 876, certiorari denied, 389 U.S. 1009 11
City of New York v. *United States*, 390 U.S. 715 20
Coca-Cola Co. v. *Pepsi-Cola Co.*, 36 Del. 124, 172 Atl. 260 13
Commissioner v. *Sunnen*, 333 U.S. 591 23
Compco Corp. v. *Day-Brite Lighting*, 376 U.S. 234 ..... 3, 26

Cases—Continued

	Page
Crosland-Cullen Co. v. *Crosland*, 249 N.C. 167, 105 S.E. 2d 655	13
Davis v. *McKinnon & Mooney*, 266 F. 2d 870	11
Desmond v. *Kramer*, 96 N.J. Super. 96, 232 A. 2d 470	13, 18
DeWitt v. *Hall*, 19 N.Y. 2d 141, 225 N.E. 2d 195	12
Ellis v. *Crockett*, 451 P. 2d 814	12
Falk v. *United States*, 375 F. 2d 561	11
Feinstein v. *Edward Livingston & Sons, Inc.*, 457 S.W. 2d 789	13
First Natl. Bk. of Cincinnati v. *Berkshire Life Ins. Co.*, 176 Ohio St. 395, 199 N.E. 2d 863	13
Girouard v. *United States*, 328 U.S. 61	38, 41
Graham v. *John Deere Co.*, 383 U.S. 1	3, 33
Graves v. *Associated Transport, Inc.*, 344 F. 2d 894	5, 11, 16
Helvering v. *Hallock*, 309 U.S. 106	38
Home Owners Fed. Savings & Loan Assn. v. *Northwestern Fire & Marine Ins. Co.*, 354 Mass. 448, 238 N.E. 2d 55	12
Howell v. *Vito's Trucking & Excavating Co.*, 20 Mich. App. 140, 173 N.W. 2d 777	13, 23
Kayler v. *Gallimore*, 269 N.C. 405, 152 S.E. 2d 518	13
Kerotest Manufacturing Co. v. *C–O–Two Co.*, 342 U.S. 180	14, 29, 30, 34
Lawlor v. *National Screen Service*, 349 U.S. 322	20
Lear, Inc. v. *Adkins*, 395 U.S. 653	27, 29
Lober v. *Moore*, 417 F. 2d 714	11
Lucas v. *Velikanje*, 471 P. 2d 103	12
Lustik v. *Rankila*, 269 Minn. 515, 131 N.W. 2d 741	12
Lynch v. *Chicago Transit Authority*, 62 Ill. App. 2d 220, 210 N.E. 2d 792	13
Mackris v. *Murray*, 397 F. 2d 74	11, 15
Mast, Foos & Co. v. *Stover Manufacturing Co.*, 177 U.S. 485	24
Nickerson v. *Kutschera*, 390 F. 2d 812, on remand, 295 F. Supp. 1, reversed 419 F. 2d 983	19, 22, 25, 27, 34
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Cases—Continued

Page

Pennington v. *Snow*, 471 P. 2d 370 ..... 12, 18
People v. *Ohio Cas. Ins. Co.*, 232 F. 2d 474 11
Picard v. *United Aircraft Corp.*, 128 F. 2d 632 27
Rachal v. *Hill*, — F. 2d —, C.A. 5, No. 29585, decided December 3, 1970 10
Reardon v. *Allen*, 88 N.J. Super. 560, 213 A. 2d 26 18
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Sanitary Refrigerator Co. v. *Winters*, 280 U.S. 30 24
Sears, Roebuck & Co. v. *Stiffel*, 376 U.S. 225 ..... 3, 26
Seguros Tepeyac, S.A. Compania Mexicana v. *Jernigan*, 410 F. 2d 718, certiorari denied, 396 U.S. 905 11
S. H. Kress & Co. v. *Aghnides et al.*, 246 F. 2d 718, certiorari denied, 355 U.S. 889 32
Spettigue v. *Mahoney*, 8 Ariz. App. 281, 445 P. 2d 557 15
Stillpass v. *Kenton County Airport Bd., Inc.*, 403 S.W. 2d 46 13
Suggs v. *Alabama Power Co.*, 271 Ala. 168, 123 So. 2d 4 13
Taylor v. *Sartorious*, 130 Mo. App. 23, 108 S.W. 1089 13
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Technograph Printed Circuits, Ltd. v. *Methode Electronics, Inc., et al.*, Civ. No. 62 C 1761 28
Technograph Printed Circuits v. *United States*, 372 F. 2d 969 ..... 3, 7, 14, 19, 23, 25, 36
Teitelbaum Furs, Inc. v. *Dominion Ins. Co.*, 58 Cal. 2d 601, 375 P. 2nd 439 12
Tidewater Patent Devel. Co. v. *Kitchen*, 371 F. 2d 1004, certiorari denied, 389 U.S. 821 34
Triplett v. *Lowell*, 297 U.S. 638 ..... 2, 3, 4, 5, 6, 7, 8, 12, 19, 24, 25, 28, 30, 35, 36, 37, 39, 41, 43, 44
United States v. *Bell Tel. Co.*, 128 U.S. 315 24
United States v. *International Bldg. Co.*, 345 U.S. 502 20
United States v. *United Air Lines*, 216 F. Supp. 709, affirmed as to *res judicata*, *sub nom. United Air Lines* v. *Wiener*, 335 F. 2d 378, certiorari dismissed, 379 U.S. 951 ..... 11, 16, 17, 22

Cases—Continued Page

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Walker Inc. v. *Food Machinery*, 382 U.S. 172 29

W. E. Hedger Transp. Corp. v. *Ira S. Bushey & Sons, Inc.*, 186 F. 2d 236 37

Zdanok v. *Glidden Co.*, 327 F. 2d 944, certiorari denied, 377 U.S. 934 ..... 5, 9, 11, 16, 17, 21, 22

Statutes and Rules:

F. R. Cin. P. 8(c) 37

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35 Stat. 281 29

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28 U.S.C. 1254(1) 2

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15 J. P. O. S. 798 39

In the Supreme Court of the United States

OCTOBER TERM, 1970

No. 338

BLONDER-TONGUE LABORATORIES, INC., PETITIONER

v.

UNIVERSITY OF ILLINOIS FOUNDATION AND JFD ELECTRONICS CORPORATION, RESPONDENTS

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

OPINIONS BELOW

The opinion of the court of appeals (App. 54–71) is reported at 422 F. 2d 769. The opinion of the district court (App. 71–90) is not reported.

JURISDICTION

The modified judgment of the court of appeals was entered on April 2, 1970. The petition for a writ of certiorari was filed on June 30, 1970 and was granted on October 19, 1970. Subsequently this Court requested the parties to discuss the following additional issues not raised in the petition for certiorari:

"1. Should the holding of *Triplett* v. *Lowell*, 297 U.S. 638, that a determination of patent invalidity is not res judicata as against the patentee in subsequent litigation against a different defendant, be adhered to?

2. If not, does the determination of invalidity in the *Winegard* litigation bind the respondents in this case?"

The jurisdiction of this Court rests on 28 U.S.C. 1254(1).

QUESTIONS PRESENTED

The United States will discuss the following question:

Whether *Triplett* v. *Lowell*, 297 U.S. 638, holding that a determination of patent invalidity does not bind the patentee in subsequent litigation against a different defendant, should be overruled or limited.

INTEREST OF THE UNITED STATES

The United States submits this brief *amicus curiae* because of its interest in the questions which this Court asked the parties to discuss, namely, whether and to what extent *Triplett* v. *Lowell*, 297 U.S. 638, should be adhered to. That case held that the defendant in an action for patent infringement may not plead as a defense that the patent he is charged with infringing was found invalid in prior litigation to which he was not a party, but must establish invalidity again, if he can, in his own right.

The suggestion that a final adjudication of patent invalidity may estop the patent holder from asserting his patent against any defendant raises issues of pub-

lic importance. On the one hand, through the constitutional provision for a patent system and the implementing statutes, the United States is committed to the preservation and enforcement of a system which rewards invention by conferring a legal monopoly over its exploitation for 17 years. On the other hand, it is of paramount public importance to prevent and correct the existence and exercise of unprivileged economic monopoly power. *Graham* v. *John Deere & Co.* 383 U.S. 1. Both policies bear on the *Triplett* issue. As this Court itself has held, the public should not be denied access to unpatentable ideas through improper assertions of patent monopoly power. *Sears, Roebuck & Co.* v. *Stiffel,* 376 U.S. 225; *Compco Corp.* v. *Day-Brite Lighting,* 376 U.S. 234. Yet there are many who have concluded that patent litigation presents issues so complex and difficult of understanding to the nontechnical mind, *e.g. Nyyssonen* v. *Bendix Corp.,* 342 F. 2d 531, 532 (C.A. 1), certiorari denied 382 U.S. 847, that a single judicial declaration of patent invalidity is insufficient to conclude the issue. *E.g., Technograph Printed Circuits* v. *United States,* 372 F. 2d 969, 977–978 (Ct. Cl.). Issues of fairness to the patent holder and of judicial economy are also at stake.

Various legislative solutions to this complex and difficult question have been suggested over the years—some by those responsible for the administration of the patent system and some by those responsible for the administration of the antitrust statutes—but no unified legislative policy has yet emerged. We do not suggest, however, that for this reason the Court should

withhold decision, or avoid any modification of *Triplett* pending legislative action. To the contrary, *Triplett* follows the doctrine of mutual estoppel, a common law creation subject to judicial change and, as we show in our argument, there has been no legislative action which should deter the Court from deciding the questions which it posed to the parties in this case.

STATEMENT

The Respondent University of Illinois Foundation instituted actions, against different defendants, in two separate United States District Courts, claiming infringement of patents for home television antennae. On June 23, 1967, the United States District Court for the Southern District of Iowa rendered a detailed and comprehensive opinion (A. 101–124) holding the so-called "Isbell Patent" invalid. *University of Ill. Foundation* v. *Winegard Co.*, 271 F. Supp. 412 (S.D. Iowa). In an opinion revealing careful attention to the technical issues raised, the Court of Appeals for the Eighth Circuit affirmed. 402 F. 2d 125. Certiorari was denied on March 24, 1969. 394 U.S. 917.

The present suit, brought by the Foundation in the United States District Court for the Northern District of Illinois, claimed infringement by petitioner Blonder-Tongue Laboratories, Inc., of two patents: the "Isbell" patent which had been the subject of the Iowa litigation, and the "Mayes" patent. On June 27, 1968, the district court held that both the Isbell and Mayes patents were valid and infringed by petitioner (A. 71–90). Citing the decision of this Court in *Triplett* v. *Lowell, supra,* it expressly declined to follow the ruling of the District Court for the Southern District

of Iowa in *Winegard* holding the Isbell patent invalid (A. 73).[1] On appeal, the Court of Appeals for the Seventh Circuit affirmed the district court's ruling with respect to the Isbell patent, but held that the Mayes patent was invalid for obviousness, 422 F. 2d 769. The Seventh Circuit, noting the inconsistency of its holding with the Eighth Circuit's ruling, stated that "It would seem sound judicial policy that the adjudication of that issue against the Foundation in one action where it was a party would provide a defense in any other action by the Foundation for infringement of the same patent." The Seventh Circuit added: "That, however, is not the law in this field," citing *Triplett,* 422 F. 2d at 772.

ARGUMENT

I. INTRODUCTION AND SUMMARY

The ruling in *Triplett* v. *Lowell,* 297 U.S. 638, that a determination of patent invalidity does not bind the patentee in subsequent litigation against the different defendant, rested primarily upon a legal doctrine of "mutuality of estoppel," which holds that a party to litigation may not assert that a prior judgment is binding upon his adversary unless the party asserting the judgment also is bound by it. That doctrine has been the subject of criticism and limitation in recent years. There is increasing recognition that there are circumstances in which no unfairness results from estoppel which is not mutual. *E.g., Zdanok* v. *Glidden Co.,* 327 F. 2d 944 (C.A. 2); *Graves* v. *Associated*

[1] The decision of the Eighth Circuit in the *Winegard* case had not yet been rendered.

Transport, Inc., 344 F. 2d 894 (C.A. 4); *Bruszewski* v. *United States*, 181 F. 2d 419 (C.A. 3), certiorari denied, 340 U.S. 865; *Bernhard* v. *Bank of America Natl. Trust & Savings Assn.*, 19 Cal. 2d 807, 122 P. 2d 892. In particular, it is held, there is normally no unfairness where no new facts appear; where the party asserting the estoppel is the defendant; where the plaintiff, being also plaintiff in the action asserted as estopping, had the incentive and opportunity fully to present his case; and where the threat of estoppel may serve to promote a joinder of parties which the potentially estopped party might otherwise find it in his interest to resist.

More controversial issues are presented by the question whether this development in the law generally ought to have application in patent cases. This question presents a public policy issue in addition to the usual questions of judicial economy and fairness to parties thought to be involved in the estoppel question. The public interest in limiting monopolies, on the one hand, and its interest in rewarding invention, on the other, have at least a potential for conflict. The highly technical nature of some patent litigation, often taxing the capacity of lay courts to decide with confidence, *Nyyssonen* v. *Bendix Corp.*, *supra*, suggests a particular need for caution and care in developing estoppel rules in the patent context. Nonetheless, we conclude that the difficulty of these issues is insufficient to warrant an uncritical continuing adherence to *Triplett*, particularly in the face of

the changes in estoppel doctrine generally. Instead, claims of estoppel in patent cases should be considered on a case by case basis, giving due weight to any factors which would point to an unfair or anomalous result from their allowance.[2] In this case, the facts appear to indicate that an estoppel would not be unfair, and we suggest that the case be remanded to the lower court to determine, under the guidance of this Court's opinion, whether that is so.

Finally, we address the contention that *Triplett* has been adopted by legislative action, or is so uniquely a matter for legislative consideration that this Court ought not now to disturb it. Neither contention, in our view, is valid. The rules of estoppel are uniquely judicial in character, and *Triplett* never pretended to be more than a particular application of those rules to patent litigation. The legislative consideration of the estoppel rule in patent cases has been inconclusive, and has never reached such a stage as to amount to legislative adoption. It is thus entirely appropriate for the Court to act in the matter.

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[2] "From the course of decisions since *Bernhard* in 1942 it is clear * * * that the courts have been moving cautiously, attending closely to the circumstances and needs of the particular case and type of litigation, rather than applying sweeping generalizations or the broad principle that 'one day in court' is always enough. If appraisal of the factors pertinent to the concrete case plainly teaches that the prior judgment should be conclusive mutuality may well be held unnecessary; but if that road is not the one clearly marked, relitigation will still be allowed." *Technograph Printed Circuits Ltd.* v. *United States*, 372 F. 2d 969, 976 (Ct. Cl.).

II. THE DOCTRINE OF MUTUALITY OF ESTOPPEL HAS PROPERLY BEEN REJECTED IN THOSE CLASSES OF CASES WHERE IT PROMOTES NEITHER FAIRNESS TO THE PARTIES NOR JUDICIAL CONVENIENCE

At the time of the unanimous decison in *Triplett*, it was unquestioned that "the common law applicable to successive litigations concerning the same subject matter," 297 U.S. at 644, allowed a party to rely upon a prior judgment as *res judicata* or collateral estoppel only if both he and the party against whom the plea was asserted were bound by the prior judgment. *Bigelow* v. *Old Dominion Copper Co.*, 225 U.S. 111, 131; Restatement, Judgments, § 93 (1942). This was the doctrine of "mutuality of estoppel," and it formed the basis of this Court's conclusion in *Triplett* that "an adjudication adverse to any or all the claims of a patent * * * is not *res adjudicata* and may not be pleaded as a defense" by a person who was not a party to the prior litigation. 297 U.S. at 642. For sound reasons, the doctrine of mutuality is now being sharply curtailed. In this section of the brief we examine that development without reference to the special considerations applicable to patent litigation, seeking to identify the factors promoting change and the factors contributing to the continuing application of the doctrine.

A. JUDICIAL LIMITATION OF THE DOCTRINE OF MUTUALITY OF ESTOPPEL

As early as 1843, the mutuality doctrine had been criticized by Bentham as destitute of any semblance

of reason, and as "a maxim which one would suppose to have found its way from the gaming table to the bench." Bentham, Rationale of Judicial Evidence, in 7 Works of Jeremy Bentham 171 (Browning ed. 1843), quoted in *Zdanok* v. *Glidden Co.*, 327 F. 2d 944, 954 (C.A. 2), certiorari denied, 377 U.S. 934. In 1942, the Supreme Court of California rendered a landmark decision rejecting the rule. Justice Traynor stated:

> The criteria for determining who may assert a plea of res judicata differ fundamentally from the criteria for determining against whom a plea of res judicata may be asserted. The requirements of due process of law forbid the assertion of a plea of res judicata against a party unless he was bound by the earlier litigation in which the matter was decided. * * * He is bound by that litigation only if he has been a party thereto or in privity with a party thereto. * * * There is no compelling reason, however, for requiring that the party asserting the plea of res judicata must have been a party, or in privity with a party, to the earlier litigation.
>
> No satisfactory rationalization has been advanced for the requirement of mutuality. Just why a party who was not bound by a previous action should be precluded from asserting it as res judicata against a party who was bound by it is difficult to comprehend.

Bernhard v. *Bank of America Natl. Trust & Savings Assn.*, 19 Cal. 2d 807, 811–812, 122 P. 892, 894–95.

In the 28 years that have followed, federal and state courts have increasingly rejected the require-

ment of mutuality, and this has especially been the case where the prior decision is invoked defensively, against the plantiff bringing a suit which depends on an issue he lost in a prior action in which he also was the plantiff. The Court of Appeals for the Fifth Circuit recently stated:

> Although many states still honor the rule of mutuality of estoppel, the modern trend has been to discard the rule and preclude a party from relitigating an issue decided against him in a prior action, even if the party asserting the estoppel was a stranger to the prior action. See *DeWitt* v. *Hall,* 19 N.Y. 2d 141. 278 N.Y.S. 2d 596, 225 N.E. 2d 195, 31 A.L.R. 3d 1035 (1967). The federal rule comports with the modern trend and thus it is clear that *the requirements of mutuality need not be met for collateral estoppel to be applied in an action presenting a federal question in the courts of the United States.*

Rachal v. *Hill,* C.A. 5, No. 29585, decided December 3, 1970, slip op. p. 5 (emphasis added).

The quoted statement accurately reflects the current state of the law in the lower federal courts; in well-reasoned decisions, several circuits have followed the *Bernhard* holding. See, *e.g., Bruszewski* v. *United States,* 181 F. 2d 419, 421 (C.A. 3) (per Hastie, J.), certiorari denied, 340 U.S. 865:

> This second effort to prove negligence is comprehended by the generally accepted precept that a party who has had one fair and full opportunity to prove a claim and has failed in that effort, should not be permitted to go to trial on the merits of that claim a second time.

Both orderliness and reasonable time saving in judicial administration require that this be so unless some overriding consideration of fairness to a litigant dictates a different result in the circumstances of a particular case.

The countervailing consideration urged here is lack of mutuality of estoppel. In the present suit Bruszewski would not have been permitted to take advantage of an earlier affirmative finding of negligence, had such finding been made in the Isthmian case * * *. The finding of no negligence * * * was made after full opportunity to Bruszewski on his own election to prove the very matter which he now urges a second time. Thus, no unfairness results here from estoppel which is not mutual. In reality the argument of appellant is merely that the application of *res judicata* in this case makes the law asymmetrical. But the achievement of substantial justice rather than symmetry is the measure of the fairness of the rules of *res judicata*.[3]

[3] Accord: *Zdanok* v. *Glidden Co.*, 327 F.2d 944, 954–56 (C.A. 2), certiorari denied, 377 U.S. 934; *Graves* v. *Associated Transport, Inc.*, 344 F.2d 894 (C.A. 4); *Lober* v. *Moore*, 417 F.2d 714, 717 (C.A.D.C.); *Seguros Tepeyac, S.A. Compania Mexicana* v. *Jernigan*, 410 F.2d 718 (C.A. 5), certiorari denied, 396 U.S. 905; *Cauefield* v. *Fidelity & Cas. Co. of New York*, 378 F.2d 876, 879 (C.A. 5), certiorari denied, 389 U.S. 1009; *United States* v. *United Air Lines*, 216 F. Supp. 709, 725–720, affirmed as to *res judicata*, *sub. nom. United Airlines* v. *Wiener*, 335 F.2d 378, 404–405 (C.A. 9), certiorari dismissed, 379 U.S. 951; *People* v. *Ohio Cas. Ins. Co.*, 232 F.2d 474 (C.A. 10); *Davis* v. *McKinnon & Mooney*, 266 F.2d 870 (C.A. 6); but cf. *Mackris* v. *Murray*, 397 F.2d 74 (C.A. 6) (no use of prior judgment against defendant in former action, under *Bernhard* rule, by plaintiff in second action); *Falk* v. *United States*, 375 F.2d 561 (C.A. 6) (reciting the mutuality rule while

There is also an unmistakable trend in the state courts toward abandoning the "mutuality" requirement;[4] of the state courts of last resort squarely faced with the issue in recent years, most have followed the *Bernhard* decision, *at least* where a plaintiff is suing twice on the same claim, and a decision against him in the first suit is invoked as a defense.[5]

---

holding that the issues were not the same in the two suits). On the basis of its unfavorable commentary upon the *Triplett* rule in the opinion now under review, it seems safe to assume that the Court of Appeals for the Seventh Circuit would join the courts rejecting the mutuality doctrine.

[4] One of the few commentators to defend the mutuality doctrine previously stated that "Most state courts recognize and apply the doctrine of mutuality, subject to certain exceptions subsequently discused. And the same is true of federal courts, when free to apply their own doctrine". IB Moore's Federal Practice, ¶ 0.412, pp. 1803–1804. But in the 1970 Supplement to his work, Professor Moore recognized that "Admittedly, the trend in the federal courts is away from the rigid requirements of mutuality advocated herein." *Id.*, 1970 Cum. Supplement, p. 53. The same trend is evident in state courts; it no longer can be stated safely that most state courts adhere to the mutuality doctrine.

[5] The Supreme Court of Oregon, in a well-reasoned opinion, was the most recent state court to adopt *Bernhard*. *Bahler* v. *Fletcher*, 474 P.2d 329 (Ore. 1970); see also *Pennington* v. *Snow*, 471 P.2d 370, 376–77 (Alaska 1970); *Ellis* v. *Crockett*, 451 P.2d 814, 822 (Hawaii 1969); *Pat Perusse Realty Co.* v. *Lingo*, 249 Md. 33, 238 A.2d 100 (1968); *Sanderson* v. *Balfour*, 109 N.H. 213, 247 A.2d 185 (1968); *Home Owners Fed. Savings & Loan Assn.* v. *Northwestern Fire & Marine Ins. Co.*, 354 Mass. 448, 238 N.E. 2d 55, 57–59 (1968) (approving use of *Bernhard* by a defendant against a previously losing plaintiff); *DeWitt* v. *Hall*, 19 N.Y. 2d 141, 225 N.E. 2d 195 (1967) ("In New York "the 'doctrine of mutuality' is a dead letter"); *Lustik* v. *Rankila*, 269 Minn. 515, 131 N.W. 2d 741 (1964); *Teitelbaum Furs, Inc.* v. *Dominion Ins. Co.*, 58 Cal. 2d 601, 375 P.2d 439 (1962); *Lucas* v. *Velikanje*, 471 P.2d 103 (Wash. App. 1970) (lower state appellate court held that State Su-

B. FACTORS CONTRIBUTING TO THE JUDICIAL LIMITATION

The basic force behind these judicial developments appears to be the desire, consistent with considerations of fairness, to limit relitigation of issues, particularly in an era of crowded dockets and long pre-trial delays. While due process would preclude use of an estoppel against a party who never had an opportunity to contest the issue, no such fundamental consideration forbids its use against one who has already lost the issue, albeit in another forum and against another party. It is true, as some have pointed out, that where the party asserting the estoppel is involved in the litigation for the first time, the litigation against him is not "harrassment," an "additional" expense, or the perpetuation of a controversy which he had previously thought to have settled; even without an estoppel, he has the advantages of knowing what his opponent's

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preme Court would follow *Bernhard* in an appropriate case); *Howell* v. *Vito's Trucking & Excavating Co.*, 20 Mich. App. 140, 173 N.W. 2d 777 (1969); *Desmond* v. *Kramer*, 96 N.J. Super. 96, 232 A.2d 470 (1967); *Lynch* v. *Chicago Transit Authority*, 62 Ill. App. 2d 220, 210 N.E. 2d 792 (1965); *Coca-Cola Co.* v. *Pepsi-Cola Co.*, 36 Del. 124, 172 Atl. 260, 263 (Del. Super. 1934); *Contra*, *Adamson* v. *Hill*, 202 Kan. 482, 449 P.2d 536 (1969); *Kayler* v. *Gallimore* 269 N.C. 405, 152 S.E. 2d 518 (1967) (compare, however, *Crosland-Cullen Co.* v. *Crosland*, 249 N.C. 167, 105 S.E. 2d 655); *Suggs* v. *Alabama Power Co.*, 271 Ala. 168, 123 So. 2d 4 (1960); cf. *Feinstein v. Edward Livingston & Sons, Inc.*, 457 S.W. 2d 789 (Mo. 1970) (dictum; compare *Taylor* v. *Sartorious*, 130 Mo. App. 23, 108 S.W. 1089, 1094); *Stillpass* v. *Kenton County Airport Bd., Inc.*, 403 S.W. 2d 46, 47 (Ky. 1966) (dictum). The vitality of the mutuality doctrine is uncertain in several other states. *E.g.*, *First Nat'l Bk of Cincinnati* v. *Berkshire Life Ins. Co.*, 176 Ohio St. 395, 199 N.E. 2d 863 (expressly leaving the question open).

case will be and of arguing for a result in comity with the prior litigation. *Technograph Printed Circuits, Ltd.* v. *United States,* 372 F. 2d 969, 977 (Ct.Cl.); Moore & Currier, *Mutuality and Conclusiveness of Judgments,* 35 Tul. L. Rev. 301 (1960).

Nonetheless, litigation is expensive under any circumstances, not only to the parties but also to others who must wait their turn; and the expense itself makes it possible that at least potential defendants could be harassed by previously losing plaintiffs into making settlements to avoid lawsuits which perhaps they could not afford to defend. Where an issue has been decided in one case after a full and fair trial, the effort of a party to that litigation to secure the opposite result in subsequent litigation does suggest the logic of the gaming table, or else "a lack of discipline and of disinterestedness on the part of the lower courts, hardly a worthy or wise basis for fashioning rules of procedure." *Kerotest Manufacturing Co.* v. *C-O-Two Co.,* 342 U.S. 180, 185. Particularly is this true if the multiple trials could have been avoided by the party against whom estoppel may be asserted, through joinder in a single trial. Semmel, *Collateral Estoppel, Mutuality and Joinder of Parties,* 68 Colum. L. Rev. 1457, 1475. In at least some circumstances, then, rejection of the mutuality requirement appears warranted.

1. "Offensive" v. "Defensive" use of estoppel

From the beginning, courts and commentators have appeared more willing to endorse rejection of the mutuality requirement where the party sought to be

estopped was a repeating plaintiff, or at least plaintiff in the action claimed as estopping, than where he was a repeating defendant or defendant in the action first decided against him. Semmel, *op. cit. supra* at 1462; Currie, *Mutuality of Collateral Estoppel,* 9 Stan. L. Rev. 281 (1957); Note, 35 Geo. Wash. L. Rev. 1010 (1967); *Mackris* v. *Murray, supra; Spettigue* v. *Mahoney,* 8 Ariz. App. 281, 445 P. 2d 557. The plaintiff has the initiative and a choice of forum, of defendant, and, at least so far as service of process and venue permit, of joinder. In such circumstances, there is no worthy basis for an assumption that the first trial will not be a full or a fair one, in which part of the plaintiff's case must or may be withheld. No concept of fairness requires that a plaintiff be allowed to litigate the same claim over and over again so long as he can find new defendants. Indeed, permitting such behavior may encourage plaintiffs to avoid joinder of claims, with consequent wasting of judicial effort and time.

It does not follow that mutuality of estoppel must be required where the party sought to be estopped was the defendant in the action claimed as estopping. Professor Currie, who initially inclined to the view that mutuality should be insisted upon in such circumstances, *op. cit. supra,* has since acknowledged that that view was the product of concerns which can be accommodated in less sweeping fashion. Currie, *Civil Procedure: The Tempest Brews,* 53 Cal. L. Rev. 25 (1965). The central concern is one of fairness—whether the prior litigant had a full and fair opportunity to present his case, and whether the application (or de-

nial) of an estoppel may tend to promote a "wait-and-see" attitude on the part of persons who might have participated in the initial adjudication. In a number of important cases, courts have concluded that use of an estoppel against a former defendant was appropriate. *E.g., Zdanok* v. *Glidden, supra; Graves* v. *Associated Transport, Inc., supra; United States* v. *United Air Lines*, 216 F. Supp. 709, 725–729, affirmed as to collateral estoppel *sub nom. United Air Lines* v. *Wiener*, 335 F. 2d 379, 404–405 (C.A. 9), certiorari dismissed, 379 U.S. 951. Some of the factors involved in those cases bear examination.

2. Control over the circumstances of litigation

One of the factors referred to by those who would limit estoppel to use against repeating plaintiffs is the plaintiff's greater control over where and whom and whether he sues. However, a defendant subject to multiple suits may find that the first action against it is brought in an inconvenient forum, or one where it may seem that juries or courts are particularly receptive to claims of the nature being made. Especially if the potential plaintiffs share some commonality of interest, there may be a risk that a strategy of successive suits will be adopted.

> * * * If the cases ultimately permit use of the doctrine offensively, then collateral estoppel would give non-party members of a plaintiff or defendant class all the advantages of a class action without the disadvantage of being bound by an adverse decision. [Weinstein, *Revision of Procedure, Some Problems in Class Actions,* 9 Buff. L. Rev. 433, 454 (1960)].

But it is evident that these factors are not present in all cases, and where they are not, estoppel is appropriate.

Thus, in *Zdanok, supra,* there was essentially only one forum where the dispute—the meaning of a collective bargaining agreement—could be resolved. Although the defendant employer faced suit by a large number of its employees, it had acquiesced in the designation of one of the proceedings against it as a "test case." In these circumstances, the Company, although defendant, had assumed meaningful control over the course of litigation against it; it had chosen, and obtained, a full and fair judicial determination in one of the cases against it, and was properly bound by that decision in subsequent actions. Similarly, the United Air Lines litigation, *supra,* involved multiple suits against a carrier for injuries resulting from a crash. The main trial was in a United States District Court in California; others had brought suit in Nevada. The latter volunteered to join the California litigation, and the defendant air line objected. Again, it had assumed a responsibility for non-joinder which warranted application of an estoppel on the issue of liability against it.

3. The fullness of the prior trial; the absence of new evidence

One of the frequent criticisms in the commentaries regarding rejection of the doctrine of mutuality is that it fails to recognize that parties may not present their entire case in litigation against a particular opponent, and thus cannot fairly be bound in subsequent litigation by the outcome. Indeed, it is claimed, by making

each trial a possibly final one for the party faced with multiple litigation, an estoppel rule could increase as well as reduce the burden on the courts. The party will, of necessity, have to present his entire case each time around, however trivial the outcome of that particular litigation. Moore & Currier, *op. cit. supra,* at 309–310.

The criticism has no validity as applied to plaintiffs bringing multiple litigation against a number of parties; it must be assumed that if a plaintiff feels strongly enough to bring suit, he will do whatever is required to win, and a contrary conclusion might only encourage the bringing of multiple litigation where it can be avoided by joinder. As to defendants against multiple plaintiffs, however, the criticism may be valid. The first plaintiff may present a claim which is particularly appealing for some special reason, or which involves so little money as not to warrant a full defense. Again, it would seem harsh to insist on such a defense from one who may know that other potential plaintiffs against him are waiting in the wings—plaintiffs who will continue to have a cause of action against him if he prevails, since they will not yet have had their "day in court." See *Pennington* v. *Snow,* 471 P. 2d 370, 377–78 (Alaska 1970); *Berner* v. *British Commonwealth Pac. Airlines, Ltd.,* 346 F. 2d 532 (C.A. 2), certiorari denied, 382 U.S. 983; *Reardon* v. *Allen,* 88 N.J. Super 560, 213 A. 2d 26 (1965) (no collateral estoppel where first judgment was for $657); compare *Desmond* v. *Kramer,* 96 N.J. Super. 96, 323 A. 2d 470 (1967).

It is evident, however, that there are cases to which the criticism does not apply. The first suit may be of an importance that makes clear that a full defense was in fact made; the defendant may be unable to state any new evidence or contentions which it might make in a subsequent suit against it by other plaintiffs. In the United Air Lines litigation, for example, the first trial consumed fifteen weeks, and the air line conceded that it would have no new evidence to present on retrial. 216 F. Supp. at 728; see also, *Nickerson* v. *Kutschera,* 309 F. 2d 812 (C.A. 3), on remand, 295 F. Supp. 1, reversed 419 F. 2d 983; Note, 35 Geo. Wash. L. Rev. 1010, 1042 (1967). In *Triplett* itself the Court observed that on remand "the court must decide whether the issues of law *and fact* in the two cases are the same and, *if they are not,* it is not bound by the earlier decision." 297 U.S. at 648 (emphasis added); see *Aghnides* v. *Holden,* 226 F. 2d 949, 950 (C.A. 3); *Technograph Printed Circuits, supra,* 372 F. 2d at 979. There remains the possibility, of course, that a different court might interpret the same body of evidence differently; but that consideration returns us to the gaming table and is insufficient to preclude estoppel.

4. Settlement and compromise

Whenever a plaintiff obtains a judgment on all claims, whatever its size, the question of estoppel against him in a subsequent action is moot. But it does not follow that the question of estoppel against his defendant is settled, should the defendant face further suits. The judgment may be in the form of a

consent decree, or so obviously a compromise resolving no issues that it would be improper to ascribe to it any estopping effect. *United States* v. *International Bldg. Co.*, 345 U.S. 502, 504–505; cf. *Lawlor* v. *National Screen Service*, 349 U.S. 322.

It is improper to argue that an estoppel rule would inhibit settlements or consent judgments. Collateral estoppel bars relitigation only of issues actually litigated to final judgment. *Lawlor* v. *National Screen Service, supra;* see *Developments in the Law—Res Judicata*, 65 Harv. L. Rev. 818, 840 (1952). Even in the case of a settlement after judgment, in lieu of appeal (when the justification for subsequent retrials is substantially less), a settlement may in terms or effect operate as a vacation of judgment. A consent decree, too, is between the parties only, and ordinarily admits no liability to the world at large. Cf. *City of New York* v. *United States*, 390 U.S. 715.

The problem of compromise verdicts, in which a jury discounts its doubts as to liability by reducing damages, is more difficult. Like the defendant who does not fully defend a case of minor importance, p. 18 *supra*, a defendant who is subject to an apparent compromise verdict cannot fairly be held bound by that result in all circumstances, against all comers. But such verdicts can often be identified; more important for the question here, perhaps, they are likely to be delivered only in a limited class of cases, such as negligence actions. "Compromise" over the meaning of a contract clause is not a likely outcome; other issues, like patent validity, are more often tried to the

court than to a jury. It would be excessive to foreclose the use of estoppel against all repeating defendants merely on the chance that particular verdicts might constitute compromise.

5. Inconsistent verdicts and the encouragement of piecemeal litigation

Making the estoppel rule applicable to defendants might be thought to encourage piecemeal litigation and a wait-and-see attitude on the part of potential plaintiffs in still another respect. Even though the defendant might be successful in the first few suits against it, those outcomes do not bind persons not yet associated with the suit. There remains the chance that the defendant will lose and, at that point, an assertion of estoppel will become available against it. The problem is a real one. Rules should perhaps be developed that would compel joinder of plaintiffs in such a way as to avoid such tactics. See Semmel, *op. cit. supra* at 1475. As in the case of the issue of control over the course of litigation—perhaps more so, since an inconsistency of verdict has already occurred—an estoppel ought not to be found if this factor suggests it unfair to do so. But the possibility is a hypothetical one, hardly sufficient to warrant foreclosing estoppel in all cases against once-defeated defendants. *Zdanok, supra,* 327 F. 2d at 954–956.

6. Full and fair opportunity to defend

Another criticism sometimes made of the estoppel rule is that it will not reduce litigation, but simply change the issues. Rather than the substantive ques-

tion between the parties then on trial, it is said, the emphasis will be on the prior judicial proceedings relied on as estopping. Moore & Currier, *op. cit. supra.* The potentially estopped party will devote all his energy to showing why the former judgment was not reached after a full opportunity to litigate, or is otherwise unfairly viewed as estopping.

It is because there are so many more such issues where multiple-occasion defendants are concerned that Currie initially suggested that only "defensive" use of estoppel, against multiple-occasion plaintiffs, be permitted. 9 Stan. L. Rev. at 322. He withdrew that suggestion, however, when experience showed this not to be a substantial problem, 53 Cal. L. Rev. at 37, and in fact those courts permitting estoppel have experienced no such difficulty. *Zdanok, supra; United Air Lines, supra; Nickerson, supra,* 295 F. Supp. 1. It is not a question of collateral review of the prior proceedings, for it is not the fairness of the trial which is in question. Rather it is the fullness of the opportunity for determination of the issue as to which estoppel is sought. Whether there was such an opportunity can fairly readily be determined, with considerably greater economy than retrial of the issue.

The factors discussed are not thought to be exhaustive.[6] An estoppel will not be applied even in circum-

[6] In one case, for example, an estoppel was denied against a defendant whose first loss had been in an action for injunction, in which he had no right to a jury trial. *Rachal* v. *Hill, supra.* Similarly, one can imagine cases in which even a plaintiff ought not to be found estopped by an initial defeat—for example, as petitioner urges on another point here, if he was

stances of mutality "if injustice would result." Restatement, Judgments § 70 (1942); *Commissioner* v. *Sunnen*, 333 U.S. 591, 600; *Technograph Printed Circuits, supra,* 372 F. 2d at 977. These factors do suggest, we believe, that limitation of the doctrine of mutuality of estoppel even as to those who face multiple suits as defendant could be brought about without eliminating "the principles of justice and equity inherent in determining whether collateral estoppel should bar a party from relitigating" issues in a particular situation. *Howell* v. *Vito's Trucking and Excavating Co.*, 20 Mich. App. 140, 173 N.W. 2d 777. It is particularly hard to see how an inflexible rule allowing relitigation of issues by a plaintiff so long as new defendants can be found is in any way a just or desirable rule. Almost inevitably, because the choice to litigate is his, it must be concluded that he has had a full and fair opportunity at trial; refusing estoppel encourages the wasteful and potentially oppressive practice of piecemeal litigation; and relatively few cases can be imagined in which equitable considerations would warrant overriding an estoppel rule. If the prior litigation necessarily decided an issue he seeks to relitigate, save for extraordinary circumstances an estoppel would be proper. While the case of the multiple-

deprived of key testimony by the refusal of a trial court to grant a continuance during the unavoidable absence of a witness. While that refusal might not warrant reversal of an adverse judgment in the particular action, it could nonetheless raise questions about the fullness of the opportunity for trial, and hence the justice of an estoppel in a suit against strangers to that proceeding.

occasion defendant is more difficult, it is not in our view insuperable; it is in any event not presented here.

III. WHILE MANY OF THE SAME FACTORS WHICH HAVE CAUSED MODIFICATION OF THE DOCTRINE OF MUTUALITY OF ESTOPPEL ARE PRESENT IN PATENT LITIGATION, PUBLIC POLICY CONSIDERATIONS SUGGEST THE NEED FOR CARE IN EXTENDING THE MODIFICATION TO SUCH LITIGATION

The discussion above makes plain that *Triplett* no longer reflects estoppel law in general.[7] The issue

[7] One district court has persuasively shown that, even at the time, the decision was broader than required by the two principal cases on which it relied, *Mast, Foos & Co.* v. *Stover Manufacturing Co.*, 177 U.S. 485 and *Sanitary Refrigerator Co.* v. *Winters*, 280 U.S. 30. *Nickerson* v. *Pep Boys—Manny, Moe & Jack*, 247 F. Supp. 221, 221–222 (D.Del.). Another decision relied on in *Triplett*, *United States* v. *Bell Tel. Co.*, 128 U.S. 315, 372, recited the difficulties caused by the mutuality doctrine, as a justification for permitting the United States to sue to void patents obtained by fraud:

"* * * [T]he right given to the infringer to make this defense is a right given to him personally, and to him alone, and the effect of a successful defense of this character by one infringer is simply to establish the fact that, as between him and the patentee, no right of action exists for the reasons set up in such defense. But the patentee is not prevented by any such decision from suing a hundred other infringers, if so many there may be, and putting each of them to an expensive defense, in which they all, or some of them, may be defeated and compelled to pay because they are not in possession of the evidence on which the other infringer succeeded in establishing his defense. On the other hand, the suit of the government, if successful, declares the patent void, sets it aside as of no force, vacates it or recalls it and puts an end to all suits which the patentee can bring against anybody. It opens to the entire

which remains is whether patent law ought to be an area of special treatment, in which for reasons of public policy the general modifications of the mutuality doctrine should not be made. The general practice in lower federal courts has been to continue to follow *Triplett*,[8] usually without any considered discussion of the function of mutuality of estoppel in patent law. But see *Technograph Printed Circuits, supra,* 372 F. 2d at 977–978. One judge has gone so far as to characterize the *Triplett* rule as "queer" and "particularly abhorrent when considered against the backlog of untried cases which clog our federal courts." *Aghnides* v. *Holden,* 226 F. 2d 949, 951 (C.A. 7) (concurring opinion). But most appear to have concluded that "such change as may be desirable in this exception in patent cases to the general rule of collateral estoppel should be made by the Supreme Court itself or by Congress, which so far has refused to change the rule in *Triplett.*" *Nickerson* v. *Kutschera,* 419 F. 2d 983, 984 (C.A. 3) (Hastie, J. dissenting).

We discuss below the question of congressional ac-

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world the use of the invention or discovery in regard to which the patentee had asserted a monopoly.

This broad and conclusive effect of a decree of the court, in a suit of that character brought by the United States, is * * * so much more beneficial, and is pursued under circumstances so much more likely to secure complete justice * * * that it is impossible to suppose that Congress, in granting this right to the individual, intended to supersede or take away the more enlarged remedy of the government."

[8] Patent cases following *Triplett* are listed in *Technograph Printed Circuits, Ltd.* v. *United States,* 372 F. 2d 969, 973–974 (Ct. Cl.).

tion. Here, we set out the policy considerations which, in our view, suggest the need for caution and for avoiding sweeping generalities in extending the general modification of collateral estoppel doctrine to the question of patent validity.

A. CONSIDERATIONS SUPPORTING ESTOPPEL OF A PATENT HOLDER ONCE HIS PATENT HAS BEEN HELD INVALID

A patent is a legal monopoly. *Sears, Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225, 229–30. It is anomalous that once it has been found invalid after a full and fair judicial proceeding, its holder may continue to reap the benefits of the monopoly, and thus to deter both the free use of his device and future invention in the field. *Ibid; Compco Corp.* v. *Day-Brite Lighting*, 376 U.S. 234. Yet the economics of patent litigation and the allocation of burden on the invalidity question are such that the ability to continue bringing infringement suits, after a declaration of invalidity, assures that many holders of a patent held invalid will continue to benefit from the patent.

The costs of infringement litigation are well known. See Hearings before Subcomm. on Patents, Trademarks, and Copyrights of Sen. Comm. on the Judiciary, on Patent Law Revision, 90th Cong., 1st Sess. (1967), p. 103:

> Another problem that faces the businessman today is the matter of the high cost of prosecuting applications and asserting them against infringers. The businessman can be subjected to considerable harassment as an alleged infringer. Even in cases where he feels strongly that the

> patent would ultimately be held invalid, when he considers the hundreds of thousands of dollars in complex cases that could be involved in defending a suit, he may conclude that the best course of action is to settle for less to get rid of the problem. These nuisance settlements, although distasteful, are often, under the present system, justified on pure economics.

Another witness at these hearings estimated that the average cost of litigating a patent suit was $50,000. *Id.*, at 616. See also *Lear, Inc.* v. *Adkins,* 395 U.S. 653, 669; *Picard* v. *United Aircraft Corp.,* 128 F. 2d 632, 641 (C.A. 2) (concurring opinion).

These costs often preclude effective defense by alleged infringers. As Judge Hastie said in dissent in *Nickerson* v. *Kutschera,* 419 F. 2d 983, at 988 n. 4:

> Unless holdings of invalidity are given some preclusive force, the expensive prospect of defending an action for infringement brought under even an invalidated patent may suffice to force alleged infringers to pay royalties rather than challenge the patent as a defense * * *. The result is that invalidated patents may have nearly as much force as valid ones, and the public may have to pay "tribute to would-be monopolists" even after a holding of invalidity.[9]

[9] One study found that previously invalidated patents were reasserted in 62 suits between 1949 and 1958. It also reported that most suits of this kind were terminated without a second adjudication. "An Analysis of Patent Litigation Statistics," Staff Report of the Subcom. on Patents, Trademarks, and Copyrights of the Sen. Com. on the Judiciary, 86th Cong., 2d Sess., S. Res. 240, p. 19. Apparently, the defendant accepted a license under the previously invalidated patent rather than bear the cost of litigation.

Not only must the public pay royalties; competitors in the same field of endeavor may have to meet on an unequal basis. Some may have obtained a determination of patent invalidity; others may have failed to do so; still a third may have been forced to settle. The three groups incur substantially different costs for using the same device.

While such results cannot always be avoided, as where the challenged patent is at first upheld, uncritical adherence to *Triplett* tends to promote them. For the expense of defending infringment actions may make it as likely that an invalid patent will continue to pay economic dividends as that an erroneous holding of invalidity will subsequently be overcome. The *Technograph Printed Circuits* litigation is a good example. The patent in question was ruled invalid by the Court of Appeals for the Fourth Circuit, *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.*, 327 F.2d 497, affirming 218 F. Supp. 1 (D.Md.), certiorari denied, 379 U.S. 826, and a similar recommendation has been made by the Commissioner in the pending Court of Claims litigation, which has been on that court's docket for more than eight years. Yet at least ten other suits on the patent are now pending in other district courts, see 372 F.2d at 971, including a class action in the Northern District of Illinois involving some 225 defendants. *Technograph Printed Circuits, Ltd.* v. *Methode Electronics, Inc., et al.*, Civ. No. 62 C 1761; see *id.*, 356 F.2d 442 (C.A. 7), certiorari denied, 384 U.S. 950.

The factors which brought about modification of

the mutuality doctrine are particularly strong as applied to the typical infringement suit. In such suits, the patent holder is plaintiff, with attendant choice of whether, when, where, and whom to sue. The issues presented, technical as they are, involve few risks of the considerations which have sometimes been thought to warrant caution in recognizing an estoppel against a prior defendant. The patent holder could be said to have something of a head start in defending the validity of the patent, since he has already had to establish patentability to the satisfaction of the Patent Office. The breadth of interpretation he places on his claims in the course of seeking to show infringement is also a matter subject to his control.

Perhaps the strongest argument for estoppel arises, however, from the statutory presumption that the patent is valid. 35 U.S.C. 282.[10] The estoppel of former plaintiffs from relitigating in non-patent suits is closely associated with their initiative in bringing suit; they nonetheless have the burden of establishing their right in those suits, and the estoppel is recognized even though the former judgment might be said to be only that the plaintiff failed to carry his burden—not that he had no right. In infringement actions, the patent holder not only has the initiative, but

[10] The statutory presumption applies in all contexts in which the issue of validity may arise: an infringement action under 35 U.S.C. 281; a suit for royalties, *Lear, Inc.* v. *Adkins*, 395 U.S. 653; a declaratory judgment action by one fearing an infringement suit, *Kerotest Mfg. Co., supra;* and, conceivably, an anti-trust suit charging monopolization through assertion of a patent known to be invalid, cf. *Walker, Inc.* v. *Food Machinery*, 382 U.S. 172.

the comfort of knowing that, on the validity issue, it is his opponent who bears the burden of proof.[11]

Moreover, this presumption is effectively reinforced if the patent holder has prevailed in previous challenges to the patent's validity. Supported by such decisions, and the presumption of Section 282, he can move at the close of the defendant's evidence to strike the defense of invalidity for failure to carry the burden. The previous adjudication would seem to make success on such a motion likely in most cases. Thus, armed both with the initiative of suit and the placing of the burden of proof on the opposing party, the patent holder is poorly situated to complain that the first suit he chooses to prosecute involves an insufficient record or presentation.

B. CONSIDERATIONS ARGUING AGAINST ESTOPPEL OF A PATENT HOLDER ONCE HIS PATENT HAS BEEN HELD INVALID

The principal considerations which have been thought to counsel against estoppel in patent validity litigation are summaried in the Court of Claims' *Technograph Printed Circuits* decision—a decision which nonetheless seems to recognize a flexibility in application of the *Triplett* doctrine to permit the avoidance of inequities or abuses, *supra*, n. 2:

> For patent litigation there is a special reason why relitigation is not automatically banned

[11] Although the patent holder does not have the initiative in a suit for declaratory judgment, *Kerotest Mfg. Co.*, *supra*, such a suit could be brought only on a showing of the basis for fearing suit, and if the patent holder had earlier begun infringement actions his choice of venue would control. *Ibid.*

> as needless or redundant, and why error should not be perpetuated without inquiry. Patent validity raises issues significant to the public as well as to the named parties. Sinclair & Carroll Co. v. Interchemical Corp., 325 U.S. 327, 330 * * *. It is just as important that a good patent be ultimately upheld as that a bad one be definitively stricken. At the same time it must be remembered that the issue of patent validity is often "as fugitive, impalpable, wayward, and vague a phantom as exists in the whole paraphanalia of legal concepts * * *. If there be an issue more troublesome, or more apt for litigation than this, we are not aware of it." Harries v. Air King Products Co., *supra*, 183 F. 2d at 162 (per L. Hand, C.J.). Because of the intrinsic nature of the subject, the first decision can be quite wrong, or derived from an insufficient record or presentation. [372 F. 2d at 977–978]

For the reasons set out above, pp. 17–19, we believe that the question of "insufficient record or presentation" is no proper basis for withholding estoppel in infringement actions, brought on the patent holder's initiative, save in the most unusual circumstances, n. 6 *supra*. The remaining considerations, however, warrant more careful attention.

The constitutional provision for a patent system argues against the adoption of a rule which in some sense rests on a presumption that patents are aberrant, or usually invalid. The patent system embodies an affirmative policy to reward invention. That is reflected in the statutory presumption of patent validity; it ought also to be reflected, it may be contended, in a care that the law not seem to favor the invalidation of

patents generally. It is as important that sound patents and invention be rewarded as that the public be protected against patent monopolies based on insufficient invention. Both are strong public policies.

From this it would not necessarily follow that because a declaration of patent validity is not binding against persons not party to the litigation, a declaration of invalidity ought not to be. But there is at least reason to be sure that any declaration of invalidity is fully warranted before it is given conclusive effect in other litigation. For the fact is that courts do disagree regarding the validity of particular patents.[12] And in

[12] Litigation on the log-periodic antenna involved in the instant litigation is a good example. Litigation on the Aghnides patent No. 2,210,846 is another. In the four suits involving the Aghnides patent, it was twice held valid in North Carolina courts, *Aghnides* v. *The Meyer Co.*, 117 F. Supp. 839 (M.D.N.C. 1954); *S. H. Kress & Co.* v. *Aghnides et al*, 246 F. 2d 718 (4th Cir. 1957), *cert. denied*, 355 U.S. 889 (1957), and twice invalid in Illinois courts, *Aghnides* v. *Goodrie et al*, 210 F. 2d 859 (7th Cir. 1954), *Aghnides et al* v. *Holden et al*, 226 F. 2d 949 (7th Cir. 1955), once in the latter court over the same prior art evidence considered by the Patent Office Board of Appeals and the North Carolina courts.

The Tatko patent No. 2,693,926 was held invalid by a New York district court, 134 F. Supp. 4 (1955), the judge stating that the patent was unbelievably simple. The Court of Appeals affirmed the holding of invalidity, 233 F. 2d 9 (2d Cir. 1956), *cert. denied* 352 U.S. 917 (1956). Tatko then sued a different defendant in Vermont, and the District Court found the patent valid and infringed, 157 F. Supp. 277 (1957), although the Court of Appeals reversed by a divided vote, 270 F. 2d 571 (2d Cir. 1959).

Patent No. 2,133,642 was held invalid by the District Court, 159 F. Supp. 944 (1958) and affirmed by the Court of Appeals, 280 F. 2d 278 (1st Cir. 1960). The patent was subsequently held valid by the 5th Circuit Court of Appeals, 307 F. 2d 790 (5th Cir. 1962). The patent was then sued upon in a Delaware district court and found invalid, 297 F. 2d 323 (3d Cir. 1961).

light of the public policy involved, the mere convenience of an estoppel rule in ending litigation is not sufficient in itself to warrant the conclusion that a declaration of invalidity in the first litigation involving a patent [13] ought to be conclusive.

One reason for the courts' disagreement is undoubtedly the technical nature of many patent questions. Although this Court stated in *Graham* v. *John Deere Co.*, 383 U.S. 1, 18, that patent questions are no more difficult than "those encountered daily by the courts in such frames of reference as negligence and scienter," questions of reasonable care and intention present issues of human experience, regarding which the fact-finder can draw on his own experience. To decide a question of obviousness, on the other hand, may require a technical understanding that few ordinarily achieve. American trial judges are not usually scientists or engineers—qualifications that are widely believed necessary for practice at the patent bar. Indeed, it is not unknown for a court to admit its bewilderment with technical issues, and rest its decision fundamentally on issues of credibility and the like—a dubious ground on which to base a finding of invalidity that is to be binding in all contexts. *Nyyssonen* v. *Bendix Corp.*, 342 F. 2d 531, 532 (C.A. 1), certiorari denied, 382 U.S. 847. All courts may not be so frank, but inevitably in an era of growing technological complexity many face the same difficulty. In some cases, a

[13] The case where a patent is at first upheld, and then declared invalid, is more complex. See p. 21 *supra*.

careful and complete consideration of the issues, marked by apparent understanding of technical questions, may be ample to warrant attributing estopping effect to an adjudication of invalidity. Cf. *Nickerson* v. *Kutschera, supra,* 419 F. 2d at 986 (Hastie, C. J., dissenting). In view of these difficulties, however, a flat rule of estoppel would not be warranted.

Objection is also made to general revision of the *Triplett* rule on the ground that it would be largely unnecessary.[14] The patent code already embodies provisions which arguably reduce the possibilities of harrassment through successive litigation. Section 285 allows a court to allow reasonable attorney fees to a prevailing party "in exceptional circumstances," which would include suit on a patent previously held invalid and as to which the second court can find no reasonable argument for validity. *Tidewater Patent Devel. Co.* v. *Kitchen,* 371 F. 2d 1004, 1013 (C.A. 4). Under 35 U.S.C. 288, a patentee forfeits his right to recover his costs even as to valid claims of a patent if he does not disclaim any invalid claims before bring-

[14] Those who oppose revision of the *Triplett* doctrine also suggest another source of conflict: the varying attitudes among different courts towards validity questions. See Calvert, *The Encyclopedia of Patent Practice and Invention Management,* 20–25; Hearings on the American Patent System before the Subcommittee on Patents, Trademarks and Copyrights of the Senate Committee on the Judiciary, 84th Cong., 1st Sess., 176–185; Staff Report, id., 86th Cong., 2d Sess., "An Analysis of Patent Litigation Statistics"; and see Kayton, "The Crisis of Law in Patents" (Patent Resources Group, Washington, D.C., 1970). This is an argument of which this Court has previously refused to take cognizance. *Kerotest Mfg. Co.* v. *C-O-Two Co.,* 342 U.S. 180.

ing suits. The expense of patent litigation it is said, renders both of these provisions inhibitors of worthless suits.

In addition to these general considerations, there is reason to be concerned in particular cases as to the proper scope of an asserted estoppel. It is common for the scope of litigated claim to be limited or expanded by the patentee in light of the prior art and, appropriately or inappropriately, the nature of the infringing device. A claim could be interpreted so broadly against a first infringer that it is held invalid, and yet it might be agreed that a narrower interpretation, for example application against a pure copier, would be sustained. Even though it might be agreed that the patentee should be estopped from asserting the overbroad interpretation of his claim, that estoppel ought not to run against all interpretations of the claim. In such a case, perhaps it can be said that the issues are not identical to those previously adjudicated, and hence collateral estoppel would not apply irrespective of the mutuality doctrine; the patentee who loses his first suit may attempt to show that a second presents narrower issues and thus escape an estoppel that would otherwise apply.[15]

C. CONCLUSION

Since a unified legislative policy on patent estoppel has not yet emerged, we do not suggest any final resolution to the *Triplett* issue here. As a general matter,

[15] The problem may also be alleviated to some degree by the reissue provision, 33 U.S.C. 251.

however, we support the modification of the doctrine of "mutuality of estoppel" which began with the *Bernhard* decision. While the application of that modification to patent questions is not without difficulty, we submit that it is at least appropriate to hold that the *Triplett* doctrine is sufficiently flexible to deal with the obvious waste motion of cases which present identical issues of law and fact. 297 U.S. at 648; cf. *Technograph Printed Circuit, supra* 372 F. 2d at 976. And even that limited principle suggests that the present case may be an appropriate one for an estoppel.

Here, the respondent was twice the plaintiff in infringement actions; it chose the forum and the defendant; it had the initiative to sue. The first proceedings were evidently extensive; nothing in the record of which we are aware suggests any discovery by respondent of new evidence, or improper exclusion of evidence by the court. Those proceedings resulted in a thorough and well-reasoned opinion, revealing evident grasp of technical detail; on review in the court of appeals, the same competence and care were evident.

In these circumstances, few if any of the considerations arguing against estoppel come to bear; those which argue for it are particularly strong. Whatever the resolution of the estoppel question in more difficult cases, here there appears to be little doubt. While it might be appropriate to remand the case to permit the respondent to supplement the record to show how estoppel would be inequitable—for example, whether there had been any narrowing of claim, or whether

it could establish some equitable reliance on the existing *Triplett* rule—we believe that this case should be reversed.[16]

IV. THE RULE OF TRIPLETT V. LOWELL HAS NOT BEEN ADOPTED BY CONGRESS, AND THIS COURT SHOULD DECIDE ITS CONTINUED VALIDITY

A. It might be argued that because Congress has not modified *Triplett* v. *Lowell* in the 35 years it has been on the books, it has in effect sanctioned successive suits to enforce patents previously held invalid. But our review of the available legislative materials, in connection with both the 1952 revision of the Patent Code and recent legislative proposals for *in rem* determinations of patent validity, shows that Congress has never made a legislative determination in this area. This Court has often pointed out that Congressional silence is an extremely weak reed on which to rest an inference of legislative approval. *Boys Market* v. *Clerks Union*, 398 U.S. 235, 241–242. "The silence of Congress and its inaction are as consistent with a desire to leave the problem fluid as they

[16] *Res judicata* and collateral estoppel are affirmative defenses that ordinarily must be pleaded, which defendant did not do here. See F.R. Civ. P. 8(c). However, the purpose of that requirement is to give the plaintiff notice of the defense so that he can meet it. Accordingly, where the defense necessarily would have failed because of a controlling decision of this Court, and where the facts giving rise to such a defense—the presence of two suits upon the same patent—are readily noticed by the Court, the requirement of a pleading should not be viewed as precluding this Court from passing upon the issue. Cf. *W. E. Hedger Transp. Corp.* v. *Ira. S. Bushey & Sons, Inc.*, 186 F. 2d 236, 237 (C.A. 2).

are with an adoption by silence of the rule of [previously decided] cases." *Girouard* v. *United States*, 328 U.S. 61, 70.

In *Girouard* the Court concluded that three previous decisions construing the citizenship oath in the Naturalization Act did not state the correct rule of law. The government argued, however, that the Court could not overrule those decisions because Congress had adopted them. It pointed to the many legislative proposals to change the principle of the decisions, all of which had died in committee, and to the fact that Congress had re-enacted the oath without change even though it generally revised the naturalization laws. The Court held, however, that such legislative history did not constitute approval by Congress of the questioned decisions and that its silence could therefore not be taken as an adoption. Accord, *Helvering v. Hallock*, 309 U.S. 106, 119–120; *Boys Market* v. *Clerks Union, supra.*

There is a striking parallel between *Girouard* and this case, particularly as reflected in the history of the 1952 revision of the Patent Code. There the rule permitting successive enforcement of patent claims previously held invalid was adverted to in connection with changes proposed in disclaimer procedure.[17] But no action amounting to legislative adoption was taken.

[17] Disclaimer is the practice by which a holder of a multi-claim patent may file with the Patent Office a disavowal of one of the claims upon learning that it is invalid. At common law, if one of several claims was invalid, the entire patent was unenforceable. To relieve patent holders from this harsh rule Congress in 1837 created a patent disclaimer procedure. 5 Stat. 117, R.S. 4917, 4922. Under this procedure a patentee who had innocently and without fraudulent intent claimed more

For many years proposals had been submitted to Congress to eliminate the unfairness and complexities which had developed in disclaimer practice under the Patent Code. Indeed, in 1933 the American Bar Association suggested a statute to relieve these complexities which would have provided that a patentee's rights under a claim held invalid would not be affected or prejudiced except as to the parties to the suit or their privies.[15] Such a statute, of course, would have definitively codified the doctrine of mutuality of estoppel as applied to patents. The contemporary judicial acceptance of the mutuality principle, however, as reflected in this Court's decision in *Triplett* v. *Lowell,* apparently reduced pressures for this solution. But continued confusion over disclaimer practice finally resulted in incorporation of proposals for its improvement into the comprehensive revision of the

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than he should have could without unreasonable delay formally disclaim the invalid portion of his patent upon learning of its invalidity. Thereafter the remainder of his patent could be enforced by the courts notwithstanding the common law rule. *Triplett* v. *Lowell*, *supra*, was a disclaimer case. The procedure was quite complex because of difficulties in determining when the patentee could be said to have learned that he had claimed too much; and what constituted unreasonable delay. In addition, administrative problems resulted from attempts to disclaim less than an entire claim. These problems continued to plague the courts, patentees and the Patent Office until the disclaimer statute was revised in 1952, as explained within.

[15] 15 J.P.O.S. 798: "A judgment or decree holding one or more claims of a patent invalid shall not affect the validity of, nor prejudice any rights under, any other claims of said patent; and shall not affect the validity of, nor prejudice any rights under the claims held invalid except as to the parties to the suit in which such decree is entered, or their privies."

patent laws which culminated in the present Patent Code of 1952. 66 Stat. 792, 35 U.S.C. 1–293.

In testimony on the bill which became the 1952 law, H.R. 3760, 82d Cong., 1st Sess., Mr. P. J. Federico, Patent Examiner-in-Chief, gave a comprehensive explanation of the proposed revision, including changes in disclaimer procedure. The bill proposed in Sections 203 and 204 that only a whole claim could be disclaimed, and that the invalidity of one claim would not bar enforcement of the other claims, even if the bad claim had not been formally disclaimed.[19] Mr. Federico then went on to make the only reference to the practice of relitigating claims previously adjudicated invalid which we have been able to find in the history of the 1952 legislation. He stated (1951 Hearings, p. 103):

> Other provisions of the bill perhaps take care as well as is done in the present law of the possibility of a patentee suing again after his patent has been held invalid. That can be done today and the bill makes no change in that situation, except that certain provisions might tend to deter doing such a thing.

Apparently the provisions which "might tend to deter doing such a thing" were Sections 248, which proposed to bar recovery of costs unless a disclaimer of an invalid claim has been filed prior to suit; and Section 245, which proposed that the court in exceptional cases may award reasonable attorneys fees to the prevailing

[19] Patent Law Codification and Revision, Hearings Before the House Judiciary Committee on H.R. 3760, 82d Cong., 1st Sess. (hereinafter, "1951 Hearings"), at pp. 102–104.

party."[20] See 1951 Hearings, pp. 108–109. Mr. Federico's testimony was incorporated into both the House and Senate Reports on the revision (H. Rep. No. 1923, 82d Cong., 2d Sess., p. 8; S. Rep. No. 1979, 82d Cong., 2d Sess., p. 7); and the disclaimer and other provisions proposed, renumbered because of other changes in the bill, were enacted into law. 35 U.S.C. 253, 288 (disclaimer); 35 U.S.C. 285 (attorneys fees).

The foregoing passing reference to "present law", in the course of a comprehensive revision of the Code, presents substantially the same circumstances as were involved in *Girouard,* and for the same reasons Congress cannot be said to have re-enacted the rule of *Triplett.*

B. Congress' failure to act on various legislative proposals which have recently been introduced either to overrule *Triplett* or to alleviate its consequences, are also without significance.

In 1966 the President's Commission on the Patent System formally recommended that the rule permitting subsequent suits on patent claims previously held invalid be abolished by legislation providing that a final federal judicial determination declaring a patent

[20] The attorneys fee provisions in Section 248 were adopted from a 1946 statute which permitted reasonable attorneys fees to the prevailing party in an infringement suit. 60 Stat. 778. Mr. Federico testified that the statute was intended to give the courts discretion to award fees only in exceptional cases. 1951 Hearings at 108–109. Nothing in the history of that statute referred to the rule in *Triplett.* See H.R. Rep. No. 1587, Part 2, 79th Cong., S. Rep. No. 1503, 79th Cong., 2d Sess. Recovery in Patent Infringement Suits, Hearings Before H. Comm. on Patents, on H.R. 5311, 79th Cong., 2d Sess.

claim invalid should be *in rem*. Report of the President's Commission on the Patent System, Recommendation No. XXIII, p. 38–39. A bill to implement this and other recommendations, sponsored by the administration then in office, was introduced (H.R. 5924, 90th Cong., 1st Sess.). With other patent revision bills, it was the subject of extensive hearings.[21]

Section 294 of this bill proposed that a final adjudication limiting the scope of a claim or holding it invalid, should constitute an estoppel against the patentee in any subsequent federal action. There was testimony both in favor of and in opposition to this provision. For example, the American Bar Association strongly opposed the change. 1967–68 Hearings at 464–465. The Department of Justice favored it. Id. at 622. The Judicial Conference of the United States approved it in principle. Report of the Proceedings of the Judicial Conference of the United States, Feb.-Sept. 1968, p. 81. A parallel bill, S. 2, 90th Cong., was also introduced in the Senate and hearings were held in which the same range of views were expressed.[22]

However, the committees which heard testimony on the various proposed revisions, including the estoppel provision, made no report; no other legislative action was undertaken; and all bills died in committee.

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[21] General Revision of the Patent Laws, Hearings Before the House Judiciary Committee, 90th Cong., on H.R. 5924, 90th Cong., 1st Sess. (hereinafter "1967–68 Hearings").

[22] Patent Law Revision, Hearings Before the Subcommittee on Patents, Trademarks and Copyrights, Senate Committee on the Judiciary, 90th Cong., 1st Sess., on S. 2, S. 1042, S. 1377 and S. 1691.

Thus neither house of the Congress acted one way or the other with respect to the rule in *Triplett*.

Since that time a number of other patent revision bills have been introduced. Two of these introduced in the 91st Congress, S. 1246 and S. 2756, would, at least by implication, recognize the rule of *Triplett v. Lowell* by amending the provision for the award of attorneys' fees in exceptional cases. The proposal would permit award of such fees where a claim had been previously held invalid and is again held invalid, if the court found there was no reasonable grounds for the subsequent suit. Sec. 285, S. 1246, 91st Cong.; Sec. 285, S. 2756, 91st Cong. There have been no hearings or other action and the bills expired with the 91st Congress.

C. Finally, it might be argued, particularly in the light of recent legislative attention to the estoppel problem, as outlined above, that if the *Triplett* principle is to be changed, Congress rather than this Court should do so.

Congress may of course ultimately adopt legislation making patent litigation an exception to the general rules of estoppel that obtain in the courts; it may determine, as proposed in 1967, that some form of *in rem* procedure, with published notice and formal cancellation by the Patent Office, should be adopted in place of existing practice. Or it may wish to permit successive litigation subject to some form of sanction to bar unreasonable conduct. There are a wide range of possible legislative choices. The question here, however, does not involve a legislative choice. It is a ques-

tion of the general law of estoppel whose development, in the absence of legislation, is peculiarly a responsibility of the judicial process. This Court created the *Triplett* rule on the basis of the law of mutuality of estoppel as it then stood, and this Court appropriately may modify the rule to reflect the changes in that law that have since taken place.

CONCLUSION

For the reasons stated, the judgment of the court of appeals should be reversed, and the case remanded for further proceedings in accordance with this Court's opinion.

Respectfully submitted.

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